

Message Text

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ACTION EB-11

INFO OCT-01 EA-11 ISO-00 SPC-03 AID-20 NSC-07 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 COME-00

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R 050936Z MAR 74

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC 7915

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E.O. 11652: N/A

TAGS: ECON, EFIN, LA

REF: A. STATE 022871

B. STATE 023940

C. VIENTIANE 8182

1. RLG POLICY HAS GENERALLY BEEN TO PROMOTE EXPORTS TO ACQUIRE BADLY-NEEDED FOREIGN EXCHANGE. EXPORT REGULATION HAS USUALLY BEEN FOCUSSED ON ASSURING MAXIMUM RETURN OF FOREIGN EXCHANGE TO THE NATIONAL BANK.

2. LUMBER EXPORTS RECEIVE SUBSIDY OF 200 KIP PER DOLLAR OVER OFFICIAL 605 RATE WHEN FOREIGN EXCHANGE IS SURRENDERED TO NATIONAL BANK. EXPORT REGULATIONS ESTABLISHED AUG 15, 1973, PROVIDED THAT REGIONAL SAWMILL ASSOCIATIONS WOULD SET EXPORT QUOTAS FOR MEMBER MILLS, AND WOULD PROCESS EXPORT LICENSES (SIGNED BY THE FORESTRY SERVICE, THE COMMERCE DEPARTMENT, THE NATIONAL BANK OF LAOS, AND THE CUSTOMS SERVICE). LICENSES REQUIRE LETTER OF CREDIT FOR PROCEEDS REMITTANCE PLUS GUARANTEE BY LOCAL BANK THAT 100 PERCENT OF PROCEEDS WILL BE CONVERTED AT NATIONAL BANK. A SIMILAR ARRANGEMENT HAS BEEN MADE FOR EXPORTS OF PLYWOOD.

3. ON AUGUST 1, EXPORT TAXES ON LUMBER WERE INCREASED FROM AN AVERAGE OF 15 PERCENT AD VALOREM ON VARIOUS GRADES OF WOOD TO A

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GENERAL RATE OF 16.7 PERCENT AD VALOREM. THE EXPORT TAXES ON LOGS

WERE INCREASED NOV 22, 1973, FROM \$11.83 PER CUBIC METER OF TOP GRADE HARDWOODS TO \$47.33, WITH COMPARABLE INCREASES FOR LOWER GRADE WOODS.

4. IN ADDITION TO THE EXPORT TAXES ON LUMBER, THE FOLLOWING EXPORTS ARE TAXED AT 10 PERCENT AD VALOREM: LIVE ELEPHANTS, GREEN AND DRY TOBACCO, SAND, CRUSHED ROCK, LIMESTONE, AND UN-GINNED COTTON.

5. EXPORTS OF THE FOLLOWING PRODUCTS REQUIRE A LICENSE SIGNED BY THE COMMERCE DEPARTMENT, THE NATIONAL BANK OF LAOS AND LAO CUSTOMS, IN ADDITION TO A LOCAL BANK GUARANTEE TO CONVERT 80 PERCENT OF THE PROCEEDS AT 600 KIP TO THE DOLLAR AT THE NATIONAL BANK, HALF ON DELIVERY OF THE LICENSE AND HALF UPON SALE OF THE MERCHANDISE ABROAD: TIN, COFFEE, SKINS, STONE, GRAVEL, LIVE ANIMALS, STICKLAC, BENZOIN, SANDALWOOD, AND CARDOMUM.

6. LAOS HAS NO SIGNIFICANT INTERNATIONAL AGREEMENTS FOR TRADE ON BARTER TERMS.

WHITEHOUSE

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Message Attributes

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